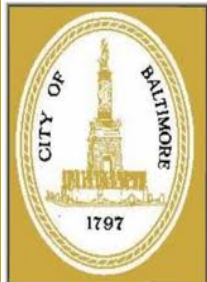


FROM	NAME & TITLE	Matthew W. Garbark, Acting Director	CITY of BALTIMORE <i>MEMO</i>	
	AGENCY NAME & ADDRESS	Department of Public Works 600 Abel Wolman Municipal Building		
	SUBJECT	City Council Bill 20-0588		

September 17, 2020

TO:

Taxation, Finance and Economic Development Committee

INTRODUCTION

I am herein reporting on City Council Bill 20-0588 introduced by Council President Scott on behalf of the Administration (Department of Housing and Community Development).

PURPOSE

The purpose of the Bill is to, among other things, authorize the issuance of special obligation bonds and the pledge of the Tax Increment Revenues and Special Tax Revenues to the payment of debt service thereon, and for the payment of the principal and interest on applicable State Obligations and other related costs; provide for the issuance, from time to time, of bonds or State Obligations in an aggregate principal amount not to exceed \$105,000,000 for the purpose of financing infrastructure improvements and related costs, and other improvements permitted by the Act; authorize the Board of Finance to specify, determine and provide for the details, forms, documents or procedures in connection with the special obligation bonds and other matters in connection with their authorization, issuance, sale, and payment of the bonds; authorize the execution and delivery by the City of a Contribution Agreement with respect to State Obligations; provide for a special effective date; provide that the City in each fiscal year in which the bonds are outstanding, use its best efforts to obtain the appropriation of the Tax Increment Revenue and the Special Tax Revenues in the amounts and at times specified in a trust agreement or agreements between the City and a bank or trust company appointed as trustee, or in one or more Contribution Agreements; and generally relating to the issuance and payment of special obligation bonds or a pledge of the Tax Increment Revenues and Special Tax Revenues pursuant to the Contribution Agreement, to the payment of debt service on State Obligations and other related costs.

BRIEF HISTORY

The Perkins Somerset Oldtown (PSO) area is located in East Baltimore, just east of the Downtown area, and includes a mix of residential, retail, office, schools, parks, and some manufacturing uses. The PSO Transformation Zone encompasses a 244 acre area that impacts Oldtown, Dunbar-Broadway, Washington Hill, Fells Point, and Little Italy neighborhoods. The Zone also includes the

Perkins and Douglas Homes public housing developments, the former Somerset Homes development (demolished in 2008/2009 and currently vacant), as well as the former LaFayette Gardens, which was redeveloped under a HOPE VI project and is now Pleasant View Gardens. Portions of the Oldtown pedestrian market were razed in 2002, but the Local Historic District portion of the mall was retained. City Council Bill 20-0588 and companion bills 20-0587 and 20-0589, will establish a Tax Increment Financing (TIF) structure that will fund the planned school, parks, and core infrastructure to rebuild Perkins, Somerset, and Oldtown, and will support additional proposed projects within the broader Transformation Zone.

FISCAL IMPACT

City Council Bill 20-0588 would authorize the City to issue special obligation bonds to fund the necessary public infrastructure improvements and other costs and expenses within the designated boundaries of the PSO development district. The types of public infrastructure that are allowed to be funded are listed in companion City Council Bill 20-0587. The bonds could be issued in a series or in one issuance, but the aggregated amount could not exceed \$105,000,000. Other development within the larger Transformation Zone will complement these public investments. This Bill also authorizes the issuance of the special obligation bonds and the pledge of Tax Increment Revenues and Special Tax Revenues for the payment of the debt service. The Board of Finance would be authorized to specify, determine and provide the details, documents, or procedures necessary to manage these payments.

AGENCY/DEPARTMENT POSITION

The Department of Public Works supports the intent of this legislation and companion bills to fund and provide new opportunities for safe and affordable housing and reinvigorate public amenities, and therefore, supports passage of City Council Bill 20-0588.



Matthew W. Garbark
Acting Director

MWG:MMC